

## Message Text

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ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 NEA-10 AF-10 AGR-20 AID-20 CEA-02

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

CIEP-02 STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 SS-15

NSC-10 L-03 H-02 GAC-01 EURE-00 PRS-01 PA-03 USIA-12

RSR-01 /190 W

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P 181200 Z MAY 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 8838

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

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AMEMBASSY THE HAGUE

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E. O. 11652: NAXA

TAGS: ETRD, US, EEC, IT

SUBJECT: ITALIAN PROPOSAL ON MEDITERRANEAN PREFERENCES

PASS AGRICULTURE

REFERENCE: ( A ) EC BRUSSELS 2684 ( B ) ROME 3716

1. SUMMARY. MFA OFFICIAL DISCUSSED WITH US MAY 17 GOI PROPOSAL  
FOR EXPORT PREMIUMS FOR ITALIAN PRODUCTS, PRIMARILY CITRUS,  
AFFECTED

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BY EC PREFERENTIAL ARRANGEMENTS. ITALIAN PROPOSAL AS DESCRIBED BY MFA ( BUT NOT EXPLICITLY IN MUMORANDUM) INCLUDES REDUCTION OR ELIMINATION OF CXT. THIS ASPECT WOULD REDUCE OR ELIMINATE DISCRIMINATION AGAINST US CITRUS. GOI EXPECTS ITS PROPOSALS WILL BE RESISTED BY FRANCE AND COMMISSION END SUMMARY.

2. ON MAY 17 WE REVIEWED WITH FRANCISCI ( IN CHARGE EC AFFAIRS MFA) WHO ATTENDED EC COUNCIL MEETING IN BRUSSELS MAY 14-15, THE ITALIAN MEMORANDUM SETTING FORTH THE ITALIAN POSITION ON THE COMMISSION' S PROPOSALS FOR EC MEDITERRANEAN POLICY. FRANCISCI SAID THE ITALIAN PROPOSAL WILL BE DISCUSSED AT COUNCIL MEETING JUNE 4-5 AND PROBABLY AT THE JUNE 25-26 MEETING AS WELL. HE COULD NOT AT THIS POINT ESTIMATE CHANGES ITS ADOPTION BUT SAID THAT GOI FEELS THAT ITS PROPOSAL HAS MERIT AND ADVANTAGES. ITALIANS HOPE THAT COMMISSION AND OTHER EIGHT WILL BE RESPONSIVE TO ITALIAN PROBLEMS, PARTICULARLY IN VIEW OF FACT THAT PREFERENTIAL ASPECTS MEDITERRANEAN POLICY INEVITABLY TEND FALL MOST HEAVILY ON ITALY.

3. FRANCISCI GAVE US A COPY OF THE ITALIAN MEMORANDUM ( BEING SENT BY AIRGRAM FROM BRUSSELS PER REF A) AND MADE FOLLOWING COMMENTARY ON ITS CONTENTS. ACCORDING TO SOURCE, PROPOSAL IN SUBSTANCE HAS FOLLOWING FEATURES:

A. ELIMINATION OF THE CONVENTIONAL PRICE WHICH HE DESCRIBED AS THE REFERENCE PRICE PLUS CXT PLUS ADDITIONAL SMALL MARGIN.

B. RETENTION OF THE REFERENCE PRICE FOR USE AS AN EMERGENCY MEASURE IN CASE OF EXTREME MARKET DISRUPTION.

C. REDUCTION OR ABOLITION OF THE CST.

D. MAINTENANCE OF THE PHYTOSANITARY MEASURES ISOLATING THE ITALIAN MARKET.

E. MOST IMPORTANT, AN INCREASE OF THE EXPORT PREMIUMS ( THE SO-CALLED PENETRATION PRICE PREMIUMS) ON A PERMANENT BASIS FOR ORANGES AND MANDARINS IN DIRECT RELATION TO THE DECREASE IN THE CXT, AND THE EXTENSION OF THE PREMIUM SYSTEM TO LEMONS.

4. FRANCISCI SAID THAT THE GOK EXPECTS DIFFICULTIES FROM BOTH THE FRENCH AND THE COMMISSION. OPPOSITION IN PRINCIPLE WIL BE BASED ON PREMISE THAT THE PREMIUMS ON EXPORTSS TO COMMUNICTY MEMBERS IS A VIOL LIMITED OFFICIAL USE

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 18 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 06 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2001 by boyleja>; APPROVED <12-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**To:** BONN  
BRUSSELS  
COPENHAGEN  
DUBLIN  
EUR  
LONDON  
LUXEMBOURG

PARIS

SECSTATE WASHDC

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005